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IN THE

Supreme Court of the United States

OCTOBER TERM, 1940

No. 893

PAYNE FURNACE AND SUPPLY COMPANY, INC., a corporation,

Petitioner,

vs.

WILLIAMS-WALLACE COMPANY, a corporation,

Respondent.

Petition for Writ of Certiorari to the Circuit Court of Appeals for the Ninth Circuit and Brief in Support Thereof.

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Petition for Writ of Certiorari to the Circuit Court of Appeals for the Ninth Circuit and Brief in Support Thereof.

To: The Honorable the Chief Justice and the Associate Justices of the Supreme Court of the United States:

Your Petitioner, PAYNE FURNACE AND SUPPLY COMPANY, INC., respectfully prays for a Writ of Certiorari to the United States Circuit Court of Appeals for the Ninth Circuit to review a judgment of that Court entered February 14, 1941. The judgment sought to be reviewed affirms a judgment of the District Court of the United States for the Northern District of California, holding U. S. Patent No. 2,013,193 and claims 1, 2 and 3 thereof, as modified by disclaimers, valid and infringed, and granting an injunction against petitioner. The judgment of the Circuit Court of Appeals turned upon the sole question of the validity of the disclaimers. The decision of the Circuit Court of Appeals was by a divided court.

Summary of the Matter Involved.

This case presents directly the important and troublesome question of excission by disclaimer by an inventor or his assignee from a patent of "a material or substantial part of the thing patented, of which he was not the original and first inventor or discoverer" (*R.S.U.S. 4917 and 4922 – 35 USCA, Secs. 65 and 71*).

The decision of the Circuit Court of Appeals, upon which the judgment sought to be reviewed was based, considered solely the question of validity of the disclaimers filed by the patent owner. No other question was decided by the Court of Appeals or is sought to be reviewed.

This Court, in *Altoona Publix Theatres, Inc. v. American Tri-Ergon Corporation,* 294 U.S. 477, 490, has considered this disclaimer statute, saying:– "* * * it does not permit the addition of a new element to the combination previously claimed, whereby the patent originally for one combination is transformed into a new and different one for the new combination."

The decisions of the district courts and of the circuit courts of appeals reveal, *first,* a confusion and conflict of interpretation of this disclaimer statute, and, *second,* that notwithstanding this Court's said decision, this confusion and conflict persists. There has grown up a mounting abuse of the privilege granted by this disclaimer statute. Patentees seek to avoid the requirements of the reissue statute *(R.S.U.S. 4916)* by assertedly,

under this disclaimer statute, filing so-called "qualifying", "discretionary", or "precautionary" disclaimers, by which the patentee attempts *ex parte* to restate and amend his patent claim and to thereby avoid submitting the restated or amended claim to revision or restriction by the customary Patent Office procedure. Decisions have been rendered approving this procedure, and holding that the filing of a disclaimer is not an admission that the claim as granted is invalid, but merely an amendment or restatement of the claim out of caution, and that that which is comprehended by the claim as granted may still be adjudged the novel and patentable invention of the patentee, —that the disclaimer may be ignored as unnecessary, because the disclaimer is not an admission that by the claim as granted the patentee has claimed "more than that of which he was the original or first inventor or discoverer," —and holding that in considering whether a disclaimer is valid within this statute the court may, in construing the claim as restated and amended by the disclaimer, disregard the established rules of interpretation applicable to the claim as granted when considering it to determine its validity or infringement, and may read into the claim any desired structural characteristics or limitations not mentioned in the claim but found in the description (specification) and drawings of the patent.

By its terms and purpose, (*Ensten v. Simon Ascher & Co.*, 282 U.S. 445,) the disclaimer statute is applicable only where the patentee has claimed more than that of which he was the original or first inventor or discoverer.

The facts in the present case, while simple and appearing on the face of the patent and the purported disclaimers, are such as to present most of the phases of this problem with which the lower courts have struggled.–

(1) By disclaiming a part of the thing patented on the basis that the patentee was not the original and first inventor or discoverer thereof, (a) is the patentee thereafter precluded or estopped from asserting such part was his original invention or discovery, and (b) in interpreting the patent as modified by such disclaimer, must the court consider the disclaimed part as not the invention of the patentee, but a part of the prior public knowledge and in the public domain?

(2) Is the rule of interpretation different, when the court is called upon to interpret a patent claim to determine whether a disclaimer is invalid as adding a new element thereto, from the rule of interpretation where such patent claim as granted is before the court to determine its validity or infringement?

(3) In considering whether a disclaimer is valid, to what extent (if at all) does the explanatory or interpretative effect of the drawings and description (specification) of the patent empower the court to read into the patent claim, as granted, structural characteristics or limitations which are described in such drawings and description, but are not directly or indirectly pointed out or referred to in the claim as granted?

(4) When a court is called upon to determine whether a disclaimer is valid as falling within the class "by limiting the claim to a specific type of the general class to which it was applied", to what extent (if at all) does the explanatory or interpretative effect of the drawings and the specification of the patent empower the court to read into the patent claim as granted (1) a general class and (2) a structural antecedent for the purpose of creating a foundation for limiting the claim by the disclaimer to structural characteristics of such general class and interpolated structural antecedent?

(5) By disclaimer may a patentee add, to a granted patent claim for a combination of mechanical elements, another combination of mechanical elements described in the patent and shown in the drawings thereof, for which second combination of elements he originally sought a claim in his application for the patent, which original claim was rejected and adjudged lacking in novelty and cancelled?

(6) Can a court hold that a disclaimer narrowing claims to structural characteristics is valid when the effect is to obtain a new and different combination from that of the patented claims?

The majority opinion herein illuminates the necessity of a further decision by this Court further clarifying and establishing the law applicable to these questions.

Statement of the Matter Involved.

Patent 2,013,913 [R. Vol. III. p. 636] was granted for Composite Pipe Construction. The patent contained three claims. Respondent as owner thereof filed disclaimers to each of the claims [R. 638]. The District Court adjudged the patent claims valid as modified by the disclaimers [R. 51, 62] and granted an injunction [R. 65]. On appeal the Circuit Court of Appeals in a majority opinion (by Circuit Judges Denman and Healy, Circuit Judge Mathews dissenting) affirmed the grant of said injunction [R. Vol. IV. 922-36]. The disclaimers are quoted in the majority opinion at R. 928-29.

The alleged invention as comprehended by the three patent claims as granted was a composite pipe consisting of two pipes, one within the other, with insulating material (asbestos) there-between, the inner pipe being slidable within the outer pipe.

The qualifying disclaimers disclaimed "any combination of the recited elements" of the patent claim with certain stated exceptions. For example, the patent describes and illustrates in the drawings the formation of leak-proof joints, between sections of the composite pipe, by crimping the ends of the pipes and inserting the upper end of an outer pipe within the lower end of the inner pipe so that condensate moisture running down the outside of the composite pipe cannot enter the joint; similarly forming a leak-proof joint by inserting the lower end of the inner pipe within the upper end of the inner pipe so that condensate moisture running down the inside of the inner pipe cannot pass through the leak-proof joint thus formed.

The original application for the patent contained claims for this leak-proof joint construction. Said claims were rejected upon prior patents and cancelled [R. 697, 701, and 698, 709]. The patent claims as granted do not disclose that the invention resides in any manner in the formation of sectional pipe or the connection of the sections together. The majority opinion of the court below holds that the disclaimers do not alter the original combination of a single unit pipe into one having a plurality of sections; that such a construction would require the court "to close our eyes entirely to the drawings and specifications of the patent", and the majority opinion interprets, therefore, the original claims as addressed to a plurality of sections [R. 933.] The disclaimer limiting the composite pipe to a sectional construction was incidental only to the inclusion of other elements. Respecting that portion of the disclaimers which incorporated into the patent claims these other elements, (*i. e.*, the formation of leak-proof joints between adjoining sections of the pipes,) the majority opinion declares this to have been a part of the patent claims because they are structural characteristics described in the specification. The majority opinion does not attempt to assert that there is any antecedent in either of the patent claims which can refer to such leak-proof joint formations. Said majority opinion states:—

> "After the disclaimer, as before, the combination consists of three elements, plus the functional feature of slidability. These elements, however, as modified

by the disclaimer, have certain structural characteristics or limitations not mentioned in the claims. Each metal pipe has one crimped end in a designated alignment, and the insulation has 'a plurality of air cells running longitudinally therethrough.' The rest of the disclaimer, we think, is confined to matters of function. Do these limitations operate to import new elements so as to transform the original combination into a new and different one, as for example in the case of the flywheel in the combination involved in the Altoona Theatres decision, *supra*?

"The answer to the question is neither obvious nor easy, but we think it should be in the negative. The flywheel was a new part or mechanism. The limitations here are structural or functional. We are unable to read the disclaimer as attempting to do more than confine the claims to the specific environment already fixed in the specifications and drawings. By it the inventor undertakes to narrow the field of the claimed monopoly by introducing structural limitations taken directly from the specifications. This has been held proper in analogous situations." [R. 934.]

The majority opinion is based upon a confusion of the legal meaning of footnote (3) to p. 490 of 294 U.S. (this Court's opinion in the *Altoona Theatres* case). In this footnote it is stated that there are four classes of disclaimers, the fourth or last class being disclaimers *"by limiting the claim to a specific type of the general class to which it was applied."* The footnote cites three deci-

sions, none of which clarifies this portion of the text. The distinction between the disclaimers in the said decisions so cited, and the interpretation of the class of disclaimer given thereto by the Circuit Court of Appeals herein illustrates the necessity for clarification by decision of this Court.

Other decisions cited by the Court of Appeals [R. 932] are based upon the hypothesis that because a disclaimer is voluntary it may be adjudged to have been unnecessary and the issues of invention and patentable novelty adjudged on the basis that no disclaimer was necessary and that the patentee was the original and first inventor of the combination disclosed by the patent claim (without disclaimer) notwithstanding the admission by the disclaimer that such claim comprehended more than he invented. In this class are the decisions by the Circuit Court of Appeals for the Sixth Circuit in *Metropolitan Device Corporation v. Cleveland E. Illuminating Co.,* 36 F. 2nd 477, 478, 479; *Permutit v. Wadham,* 13 F. 2nd 454, 457; and *N. O. Nelson Mfg. Co. v. F. E. Myers & Bro. Co.,* 29 F. 2nd 968, 969 (same case, 56 F. 2nd 512, 513), specifically holding: "The disclaimer was not a confession of anticipation in the absence of disclaimer."; and the decision of the Circuit Court of Appeals for the Second Circuit in *Sachs v. Hartford Electric Supply Co.,* 47 F. 2nd 743, 746, 747.

There is therefore a confusion in the decisions of the lower courts as to the effect of the disclaimer statutes and

of the patentee's filing a disclaimer,—presenting this question:– Can a patentee disclaim a patent claim, modify such claim by the inclusion of additional limitations, and thereafter be heard to assert and have the court adjudge that the disclaimer was unnecessary; that the patentee was the original and first inventor of the subject matter thereof (so disclaimed), and that the claim as modified by the disclaimer is valid because the patentee was the first inventor of that which he disclaimed? That this question has confused the Court of Appeals in the instant case is apparent from the following statement [R. 935] from the majority opinion:–

> "The patentee appears to have been moved by the desire to disclaim any monopoly in his composite pipe save when used for the purpose and assembled in the precise manner fully described in his specifications. We doubt the disclaimer was necessary, for these limitations were already implicit in the spirit of the invention claimed."

In his dissenting opinion, Circuit Judge Mathews held that:–

> "The so-called disclaimer is such in name only. Instead of disclaiming the whole or a part of one or more of the three combinations claimed in the patent, it describes and claims three new combinations. This the law does not permit." [R. 936.]

Reasons Relied Upon for Allowance of Writ.

The lower court decisions clearly disclose a conflict respecting:–

(1) The rule of interpretation of a patent claim. A different rule is applied, in construing the claim to ascertain what is embraced thereby when the patentable novelty is to be adjudged, from the rule that is applied when the subject-matter of the claim is to be determined to ascertain whether a disclaimer adds a new element thereto, under the *Altoona Theatres* decision.

(2) Whether a disclaimer is an admission that the patent claim as stated in the patent is invalid, or whether the disclaimer may be adjudged unnecessary and the patentee "at liberty, after the disclaimer as before, to deny the anticipatory effect of the other matter;" (*Permutit v. Wadham,* 13 F. 2nd 454, 457).

(3) The patentee having by disclaimer asserted that the claim as granted contains more than that of which the patentee was the original or first inventor, whether in an infringement suit after such disclaimer the court can adjudge the disclaimer unnecessary and, disregarding the disclaimer, independently examine the question of patentable novelty as presented by the record evidence, and find patentable novelty in the granted claim (not dependent upon the excission or restriction of the disclaimer)?

(4) Whether a disclaimer can validly incorporate into a patent claim as the patentable novelty anything not disclosed by such disclaimed claim; to what extent (if at all) can recourse be had to the description and drawings to read into the patent claims structural or functional limitations, described in the patent specification or shown

in the drawings, which are not disclosed and for which no antecedent exists in the patent claim?

(5) To what facts and circumstances does that class of disclaimers refer which is comprehended in said footnote ([8]) to p. 490 of 294 U.S. (the *Altoona Theatres* decision), to wit: "by limiting the claim to a specific type of the general class to which it was applied."

The majority opinion of the Circuit Court of Appeals herein definitely shows that said court has decided important questions of federal law which have not been, but should be settled by this Court, and has decided other questions of federal law in conflict with applicable decisions of this Court (Rule 38, Par. 5, Subd. (b)).

Jurisdiction.

Under Section 240(a) of the Judicial Code as amended by the act of February 13, 1925 (28 USCA, 347(a)), this Court has jurisdiction to review the judgment of the Court of Appeals herein. Judicial Code Sec. 41(7) gives the District Courts of the United States original jurisdiction "of all suits at law or in equity arising under the patent, the copyright, and the trade-mark laws". The instant case is a suit in equity to enjoin infringement of U.S. Patent 2,013,193. The Circuit Court of Appeals had jurisdiction of Petitioner's appeal (Jud. Code. Sec. 129) from the grant by the District Court of an injunction.

The judgment of the Circuit Court of Appeals was entered February 14, 1941, and this petition is filed within three months thereafter (28 USCA 350; R.S. Sec. 1008 as amended, Sec. 6 act of Sept. 6, 1916, 39 Stat. 727).

In conformity with the provisions of Rule 38 of this Court, a certified copy of the record, including the proceedings in and the opinions of the Circuit Court of Appeals in this case, accompanies this petition.

Wherefore, your petitioner respectfully prays that a writ of certiorari be issued under the seal of this Court, directed to the United States Circuit Court of Appeals for the Ninth Circuit, commanding that court to certify and send to this Court on a day to be designated a full and complete transcript of the record and all proceedings of said Circuit Court of Appeals had on this cause, to the end that this cause may be reviewed and determined by this Court; that the judgment of said Circuit Court of Appeals be reversed, and that your petitioner may be granted such other and further relief as may seem just and proper.

Respectfully submitted,

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